REMARKS/ARGUMENTS

The foregoing amendment and the following arguments are provided to impart precision to the claims, by more particularly pointing out the invention, rather than to avoid prior art.

Claims 1-24 are pending in the present application.

The Examiner has withdrawn claims 25-26.

Claims 1, 9, and 17 have been amended. It is respectfully submitted that no new matter has been added.

The Examiner rejected claims 1-24 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,436,665 of Ueno, et al. (hereinafter "Ueno") as applied to claims 1, 2, 4-10, 2-18, and 20-24 in the above paragraph (3), and further in view of U.S. Patent Application No. 2002/00080878 A1 of Li (hereinafter "Li").

35 U.S.C. § 103(a) Rejections

The Examiner rejected claims 1-24 under 35 U.S.C. § 103(a) as being unpatentable over Ueno in view of Li. In regard to the rejection of claims 1, 9 and 17 under 35 U.S.C. §103(a), the Examiner has stated in part that:

> Ueno et al does not particularly disclose... (a) wherein the second body of data includes one or more enhancement layers that capture differences between the viewable video sequence and the source video sequence as claimed in claims 1, 9, and 17....
>
> (2/25/04 Office Action, p. 4).

Applicants submit that in claims 1-24 are not obvious in view of Ueno and Li. In regard to the rejection of claim 1, even if Ueno and Li were combined, such a combination would lack one or more features of claim 1. Amended claim 1 recites the feature of ***predicting a subsection of the enhancement layer*** *according to a prediction mode of a plurality of prediction modes,* ***the***

plurality of prediction modes including prediction using *the source video sequence* ***and a combination of a previous enhancement frame and the first body of data.*** (emphasis added) As stated by the Examiner, Ueno does not disclose enhancement layers, let alone these features of claim 1. Nor does Li disclose these features as shown by the following analysis. Li's application describes an apparatus to automatically identify the region of interest in a picture and code it at a higher quality than the rest of the frame. (Li, [0003]). Li includes a motion estimation circuit 145 that finds the motion vector of a macroblock in the current frame **relative to the previous frame**. (Li, [009]) Thus, it is evident that Li does not describe ***predicting a subsection of the enhancement layer*** *according to a prediction mode of a plurality of prediction modes,* ***the plurality of prediction modes including prediction using*** *the source video sequence* ***and a combination of a previous enhancement frame and the first body of data.*** (claim 1, emphasis added) Thus, because neither, Ueno nor Li disclose this feature, applicants respectfully submit that claim 1 is not obvious under 35 U.S.C. §103(a) by Ueno in view of Li. Given that claims 2-8 depend from claim 1, applicant respectfully submits that claims 1-8 are not obvious under 35 U.S.C. §103(a).

The Examiner also rejected claim 9 under 35 U.S.C. §103(a) for the reasons set forth in the rejection of claim 1. Claim 9 discloses substantially similar limitations as claim 1, and recites *instructions to...* ***predict a subsection of the enhancement layer*** *according to a prediction mode of a plurality of prediction modes,* ***the plurality of prediction modes including prediction using*** *the source video sequence* ***and a combination of a previous enhancement frame and the first body of data.*** (Emphasis added) Because, neither Ueno nor Li disclose this feature as taught by applicants' claim 9 from which claims 10-16 depend, for the reasons discussed above with regard to claim 1, applicants respectfully submit that claims 9-16 are not made obvious under 35 U.S.C. §103(a) by Ueno in view of Li.

The Examiner also rejected independent claim 17 under 35 U.S.C. §103(a) for the reasons set forth in the rejection of claim 1. Claim 17 discloses substantially similar limitations

as claim 1, and recites *a third unit to* ***predict a subsection of the enhancement layer*** *according to a prediction mode of a plurality of prediction modes,* ***the plurality of prediction modes including prediction using*** *the source video sequence* ***and a combination of a previous enhancement frame and the first body of data.*** (Emphasis added) Because neither Ueno nor Li disclose this feature as taught by applicants' claim 17 from which claims 18-24 depend for the reasons discussed above with regard to claim 1, applicants respectfully submit that claims 17-24 are not made obvious under 35 U.S.C. §103(a) by Ueno in view of Li.

CONCLUSION

In view of the foregoing, it is believed that all claims now pending (1) are in proper form, (2) are neither obvious nor anticipated by the relied upon art of record, and (3) are in condition for allowance. A Notice of Allowance is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward to allowance, the Examiner is encouraged to contact the undersigned at (408) 947-8200.

If necessary, the Commissioner is hereby authorized in this, concurrent and future replies, to charge payment or credit any overpayment to Deposit Account No. 02-2666 for any additional fees required under 37 C.F.R. §§ 1.16 or 1.17, particularly, extension of time fees.

Respectfully submitted,

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